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THE ARAB FREE TRADE AREA

*Amr Abbas**

I. INTRODUCTION

THE current era is characterized by the proliferation of regional integration around the world. The Arab states initiated one of the first attempts at an economic and political integration. These attempts have not been successful for the Arab states. Many other regions have enjoyed far more success despite their later integration attempts.

Several steps toward a free trade area were taken under the Arab League (League), which was established in 1945. The Charter of the League¹ (Charter) provides that one of the League's purposes is to promote economic and financial cooperation between Member States including commercial relations and customs.²

During the 1950s and 1960s, Arab politicians focused mainly on political and military cooperation, rather than economic cooperation. Promoting trade served as the primary means for economic integration. Several treaties were signed to accomplish this purpose: (1) the Joint Defense and Economic Cooperation Treaty Among Member States of the League of Arab States in 1950; (2) the Convention for Facilitating Trade and Regulating Trade Transit in 1953; and (3) the Arab Economic Unity Agreement in 1957. In addition, some attempts for Arab Common Market took place in 1964.³

After the oil boom of the 1970s, the Arab region experienced more capital flows and labour movements than trade. This led to the development of other strategies for economic cooperation between the Arab countries. One of these strategies consisted of joint projects with the participation of Arab governments.⁴

In the 1980s, Arab countries entered into many sub-regional agreements. These agreements included the Gulf Cooperation Council, the Arab Cooperation Council, and the Arab Maghreb Union. Nonetheless,

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1. CHARTER OF THE LEAGUE OF ARAB STATES, available at http://www.arableagueonline.org/arableague/arabic/details_ar.jsp?art_id=133&level_id=114# (last visited Aug. 30, 2004) [hereinafter CHARTER].

2. *Id.* art. II(1).

3. SAMIHA FAWZY, THE ECONOMICS AND POLITICS OF ARAB ECONOMIC INTEGRATION 3-4 (Egyptian Centre for Economic Studies, Working Paper No. 66, 2002), available at <http://www.eces.org.eg/Publications/Index2.asp?L1=4&L2=1&L3=1> (last visited Aug. 30, 2004).

4. *Id.* at 4.

the increase in trade between these blocks was much less than the increase in trade with countries outside the region.⁵

In 1981, some members of the League entered into the Agreement to Facilitate and Develop Inter-Arab Trade Area (FDATA),⁶ which focuses its concern on merchandise trade. The FDATA does not provide for a common market for services or investment, nor a custom union.⁷ No progress was made in implementing the FDATA until 1997, when it was revived again and an executive program for implementation was created. This article first discusses provisions of the FDATA and the executive program. Then it focuses on the progress and the problems surrounding its implementation.

II. PURPOSES OF THE FDATA

The FDATA aims to liberalize trade between Member States, in addition to protecting products produced in Member States from foreign competition.⁸ The FDATA seeks to harmonize the production of goods and trade between Member States.⁹ Further, it aims to facilitate the financing of Arab trade and settlement of payments, and it gives special concessions to services related to trade between Member States.¹⁰ The FDATA promotes fair distribution of benefits and costs among Member States.¹¹

III. METHODS OF LIBERALIZATION AND SETTLEMENT OF PAYMENTS UNDER THE FDATA

The liberalization of trade between Member States of the FDATA was to occur via two methods. The first method is recognized as the full liberalization method in which the FDATA exempts certain categories of goods from all tariffs, similar taxes, and all other trade barriers.¹² The second method is known as the progressive liberalization method in which Member States negotiate concessions to reduce tariffs on goods with the purpose of reaching a zero tariff on all goods and eliminating all other barriers to trade within a specific period agreed upon by the parties.¹³ The FDATA provides that Member States shall facilitate the fi-

5. *Id.*

6. Agreement to Facilitate and Develop Inter-Arab Trade Area, Feb. 27, 1981, *available at* http://www.arableagueonline.org/arableague/arabic/details_ar.jsp?art_id=349&level_id=110 [hereinafter FDATA].

7. BERNARD HOEKMAN & PATRICK MESSERLIN, INITIAL CONDITIONS AND INCENTIVES FOR ARAB ECONOMIC INTEGRATION: CAN THE EUROPEAN COMMUNITY'S SUCCESS BE EMULATED? 1 (World Bank Policy Research, Working Paper No. 2921, 2002), *available at* http://econ.worldbank.org/files/20935_wps2921.pdf (last visited Aug. 30, 2004).

8. FDATA, *supra* note 6, art. II (1)(a)-(c).

9. *Id.* art. II(2).

10. *Id.* art. II(3)-(4).

11. *Id.* art. II(7).

12. *Id.* art. VI.

13. *Id.* art. VII(1)-(2).

nance, credit, and payment for trade between Member States.¹⁴ The Arab Monetary Fund serves to establish a system for settlement of payments that result from trade between Member States.¹⁵

IV. THE ECONOMIC AND SOCIAL COUNCIL FUNCTIONS

The Economic and Social Council of the League (ESCL), which consists of ministers of foreign and economic affairs of the Arab states, is appointed to supervise the implementation of the FDATA.¹⁶ The ESCL, acting by a two-thirds majority of Member States, possesses numerous functions in relation to the FDATA. The ESCL shall draft and issue collective lists of goods that are exempted from tariffs and other barriers to trade, and goods enjoying reductions on tariffs and other barriers to trade.¹⁷ The ESCL shall draft and issue lists of non-Arab goods that are competing with or are alternatives to Arab goods. The ESCL shall also determine the rules and conditions to facilitate the progressive reduction of tariffs and other similar taxes.¹⁸ Further, the ESCL shall determine which Member States are the less developed for purposes of the FDATA.¹⁹

The ESCL is also empowered to examine complaints of Member States regarding the discrimination inflicted upon them by other Member States while conducting commercial transactions.²⁰ Disputes arising from the application of the FDATA shall be submitted to the ESCL for resolution. The ESCL may assign the dispute to a committee and delegate a portion of its powers to the committee. In every case, the ESCL shall decide the method of adjudicating the dispute.²¹

V. PROGRAM FOR IMPLEMENTING THE FDATA AND FOR ESTABLISHING AN ARAB FREE TRADE AREA

In 1997, the ESCL decided²² to implement an executive program (the Program) to establish an Arab Free Trade Area (AFTA), in accordance with provisions of the FDATA and the World Trade Organization Agreement.²³ The Program requires that the Arab Member States in the FDATA complete the creation of the AFTA before January 1, 2008.²⁴ The AFTA would eliminate all tariffs and similar taxes between Member States.

14. *Id.* art. X(1),(3),(4).

15. *Id.* art. X(2).

16. *Id.* art. XI(1).

17. *Id.* art. XI(1)(a)–(b).

18. *Id.* art. XI (1)(d).

19. *Id.* art. XI (1)(e).

20. *Id.* art. XI (1)(f).

21. *Id.* art. XIII.

22. Economic and Social Council of the League, Res. No. 1317-59, Feb. 19, 1997, available at http://www.arableagueonline.org/arableague/arabic/details_ar.jsp?art_id=350&level_id=110 [hereinafter Program].

23. *Id.* pmbl.

24. *Id.* art. I(2)

VI. REQUIREMENTS FOR JOINING THE PROGRAM AND TIME FRAME

An Arab state must satisfy two conditions to join the Program. First, an Arab state must ratify the FDATA. Second, an Arab state must agree to the Program by depositing the local regulations issued instructing its customs authority to apply the Program.²⁵ By the end of 2002, there were sixteen members to the Program.²⁶

The Program provides for the progressive liberalization of all goods within ten years by reducing tariffs and other similar taxes by an equal annual percentage until they are fully eliminated at the end of the ten years.²⁷ This requires an annual reduction of 10 percent. The ESCL later opted for a shorter period ending in 2005.²⁸ Accordingly, the annual reduction of the tariffs and similar taxes will be 20 percent in 2004 and 2005. However, Member States may agree to immediate elimination of all tariffs and other trade barriers for any imported goods. The basis for calculating the reduction of tariffs and similar taxes on imported goods shall be those rates in effect on January 1, 1998.²⁹ Any tariff reductions thereafter shall be calculated on the latter reduction.³⁰

The Program prohibits non-tariff barriers on Arab goods traded within the framework of the Program.³¹ Non-tariff barriers are defined in the FDATA as any measures taken to control imports, not including organizational or statistical purposes.³²

The Program allows any two or more Member States to agree to accelerate the reductions of the custom duties between them in accordance with articles 3 and 7 of the FDATA.³³ However, the Program deviates from the FDATA by applying the progressive liberalization method on goods that are exempted from custom duties under chapter 2, article VI of the FDATA, such as agricultural products, animal products, and mineral and non-mineral raw materials. Presumably, the only way to reactivate the FDATA is to apply the progressive liberalization method on all goods and to ignore the full exemption method, thereby raising the issue

25. Arab Monetary Fund, *Joint Arab Economic Report 2000*, at 188, available at <http://www.amf.org.ae/vArabic/storage/other/ECONOMIC%20DEPT/JOINT%20REPORT/section13.pdf> (last visited July 31, 2004) [hereinafter *Joint Arab Economic Report 2000*].

26. These countries include Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Morocco, Oman, Palestine, Saudi Arabia, Sudan, Syria, Qatar, Tunisia, and the United Arab Emirates. See Arab Monetary Fund, *Joint Arab Economic Report 2003*, ch.12, at 1, available at <http://www.amf.org.ae/vEnglish/default.asp> (last visited Aug. 30, 2004) [hereinafter *Joint Arab Economic Report 2003*].

27. Program, *supra* note 22, art. II(1).

28. Economic and Social Council of the League, Res. No. 1431, Feb. 2002, art. I(1), Ordinary Meeting No. 69, available at http://www.arableagueonline.org/arableague/arabic/details_ar.jsp?art_id=1485&level_id=696.

29. Program, *supra* note 22, art. I(7).

30. *Id.* art. I(8).

31. *Id.* art. III.

32. FDATA, *supra* note 6, art. I(6).

33. Program, *supra* note 22, art. I(9).

of amending the FDATA by the Program. The FDATA can only be amended by the approval of two thirds of the Member States.³⁴ Although the ESCL makes its decisions by a two-thirds majority, the FDATA does not grant the ESCL the right to amend the FDATA.

VII. PREFERENTIAL TREATMENT TO LEAST DEVELOPED MEMBER STATES

The FDATA provides that development conditions of Member States, particularly the least developed ones, shall be taken into account.³⁵ Preferential treatment shall be accorded to the least-developed Member States. The ESCL shall determine the particular conditions of any preferential treatment granted.³⁶

The Program provides the same preferential treatment to both least-developed Member States and Palestine. It requires least-developed Member States to submit a request that includes the nature of the preferential treatment needed and the period for approval of the ECSC. Least-developed Member States are those identified by the United Nations as such.³⁷

Accordingly, least-developed Member States have until 2010 to abolish fully all customs duties and other taxes and restrictions on Arab goods. Sudan chose to start a 20 percent annual reduction beginning in 2005.³⁸

VIII. RULES OF ORIGIN

The Program requires Member States to provide national treatment to goods traded in accordance with the Program concerning: (1) rules of origin; (2) specifications and standards; (3) conditions for health and security safeguards; and (4) local duties and taxes.³⁹ Lack of agreement on rules of origin has delayed full implementation of the Program. Chapter 1, article IX of the FDATA provides general rules of origin for products deemed produced in an Arab state. A product originates from a Member State if the value added in the Member State is at least 40 percent of the final value of the finished product. In assembly industries, this percentage is reduced to 20 percent. However, an agreement on detailed rules of origin has yet to be reached because of problems between Arab states.⁴⁰

IX. REFERENCES TO INTERNATIONAL RULES

The Program's preamble refers to the World Trade Organization Agreement (WTO Agreement) and its rules. Member States shall give due regard to international rules concerning: (1) safeguard measures; (2)

34. FDATA, *supra* note 6, art. XXIV.

35. *Id.* art. II(6).

36. *Id.* art. VII(3).

37. Program, *supra* note 22, art. VII.

38. *Joint Arab Economic Report 2003*, *supra* note 26, at 1.

39. Program, *supra* note 22, art. I(4).

40. *Joint Arab Economic Report 2003*, *supra* note 26, at 2.

antidumping measures; (3) measures to safeguard the balance of payments; and (4) subsidizing measures.⁴¹ The Program does not specify the international rules to which it refers. However, one may deduct from the preamble that it refers to the WTO Agreement, which now claims eleven Arab states as members.⁴²

The FDATA provides that Member States shall negotiate unified minimum custom duties and other taxes or restrictions on imports from non-Member States that compete with imports from Arab states. These duties shall be increased gradually.⁴³ The Program contains no reference to such obligation. The incompatibility of the obligation to raise tariff duties on goods imported from beyond the region with the WTO Agreement and other international agreements to which Arab states are member justifies such omission.

X. GENERAL EXCEPTIONS

The FDATA allows any Member State to request the imposition, on a temporary basis, of tariff duties or similar taxes or quantitative or administrative restrictions, or retension of those already in effect, to protect the growth of certain domestic production. Any such safeguard measure requires ESCL approval, and the ESCL shall determine the period for such measure.⁴⁴ The ESCL limited the Member State exception to a maximum of 15 percent of the value of exports from the Member State to other Member States. Six members were granted approval to apply such measures until September 16, 2002.⁴⁵ The economic circumstances of these countries provide justification for the exceptions, and give the member countries the chance to adapt to the liberalization of trade amongst Arab states. The value of the goods subject to exceptions by the six Member States does not exceed 6 percent of the value of trade between Member States.⁴⁶ Three of these Arab states have reportedly deposited regulations issued to their customs authorities abrogating the exception.⁴⁷

XI. AGRICULTURAL PRODUCTS EXCEPTION

With regard to certain agricultural products, any Member State may decide not to reduce tariff duties during certain seasons. A list of these agriculture products and seasons must be communicated to the ESCL.

41. Program, *supra* note 22, art. I(5)-(6).

42. These are Bahrain, Djibouti, Egypt, Jordan, Kuwait, Mauritania, Morocco, Oman, Qatar, Tunisia, and United Arab Emirates. See World Trade Organization, *Members and Observers*, at http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (last visited Aug. 30, 2004).

43. FDATA, *supra* note 6, art. VIII.

44. *Id.* art. IXV.

45. These are Egypt, Jordan, Lebanon, Morocco, Syria, and Tunisia. See Arab Monetary Fund, *Joint Arab Economic Report 2002*, at 191, available at <http://www.amf.org.ae/vEnglish/default.asp> (last visited Aug. 30, 2004).

46. *Id.* at 192.

47. *Joint Arab Economic Report 2003*, *supra* note 26, at 2.

This exception will no longer be available when the Program ends and the AFTA is established. The agricultural products exception does not require approval by the ESCL.⁴⁸ However, the ESCL has provided for certain limitations and criteria to be followed with respect to the agricultural products exception.⁴⁹

As mentioned above, this framework is inconsistent with the FDATA's exemption of agricultural products from all tariff duties. Arguably, article XV of FDATA, which allows any Member State to request the retention or imposition of temporary custom duties or restrictions to protect certain domestic production, provides an authority for such exception. However, there are noticeable differences between the two exceptions. First, the Program's agricultural products exception does not allow restrictions on imports, unlike the FDATA's exception. Second, the Program's agricultural products exception has no condition for protecting the growth of certain domestic production as in the FDATA's exception. Third, the Program's agricultural exception does not require ESCL approval.

XII. IMPLEMENTATION OF THE PROGRAM AND DISPUTE SETTLEMENT MECHANISM

All Member States have notified the League Secretariat concerning their fulfilment of the obligation to reduce tariff duties according to the Program timetable.⁵⁰ However, most Member States have not given notice of compliance in terms of other taxes on imported goods and other non-tariff barriers.⁵¹

One of the important elements for the success of a free trade area continues to be an effective mechanism to settle disputes between Member States. The FDATA and the Program lack a binding dispute settlement mechanism. Every Member State has established a point of contact for inquiries regarding the application of the FDATA and the Program. Until a dispute settlement system is established, these points of contact receive complaints from the private sector and Member States, and attempt to resolve them.⁵²

As mentioned above, the ESCL has jurisdiction over disputes arising from the application of the FDATA.⁵³ The private sector has submitted complaints to the ESCL regarding obstacles to trade between Member States. These complaints have referred to incidents of non-application of tariff reduction and non-recognition of certificates of origin, including the certificates' contents. The Secretariat dealt with a portion of these com-

48. Program, *supra* note 22, art. II(2)-(3).

49. *Joint Arab Economic Report 2000*, *supra* note 25, at 191 (citing Resolution No. 1350, Dec. 2, 1998).

50. *Id.* at 190.

51. *Id.* at 190-91.

52. Arab Monetary Fund, *Joint Arab Economic Report 2001*, at 322-323, available at <http://www.amf.org.ae/vEnglish/default.asp> (last visited Aug. 30, 2004).

53. FDATA, *supra* note 6, art. XIII.

plaints by consulting with the relevant points of contact.⁵⁴

A draft agreement for a dispute settlement mechanism, containing several steps to follow to settle a dispute, has been prepared for the ESCL's approval. First, the dispute shall be referred to the appropriate points of contact for resolution. Second, if the points of contact fail to reach a resolution, the dispute shall be resolved through conciliatory discussions. Finally, the dispute is referred to an investment tribunal, whose ultimate decision is final. The draft also provides a mandatory time limit for each step.⁵⁵

In the European integration example, the European Court of Justice (ECJ) played an important role in strengthening the system. The ECJ rulings helped clarify the valid regulations and policies of the Member States, and it set aside those that did not conform to the obligation to liberalize trade. The ECJ rulings are binding and final on all Member States.⁵⁶ The ECJ distinguished between measures imposed for public safety and health as opposed to those rulings that were protectionist, which were set aside by the ECJ.⁵⁷

XIII. SLOW PROGRESS IN THE ARAB INTEGRATION

The Arab region is among one of the least integrated regions in the world with respect to capital and trade flows.⁵⁸ While the total exports between Arab states have increased from 5.3 to 8.2 percent during 1970 to 1998, this is less than other free trade areas.⁵⁹ Even capital flows between Arab countries never exceeded 2 percent (US \$6 billion in the 1970s) of oil revenues.⁶⁰ This may be a result of underdeveloped capital markets, or it may emanate from the non-encouraging laws of Arab countries. On the contrary, other capital markets provide a better environment in which to invest, trade, and maximize profit while maintaining the ability to diversify risks.⁶¹ Poor trade conditions could also be traced to the political instability and ever-changing policies and regulations in the economic arena in Arab countries.

It is notable that in Arab states, labour movements have been the most active compared to capital and trade movements. This differs from other regional integration models where the labour movement usually serves as a last step. This result is based primarily on the existence of more restrictions on trade between Arab states than for labour movements.⁶² It can also be due to the common language, similar culture, and social traditions between citizens of different Arab states. These elements are not rele-

54. *Joint Arab Economic Report 2003*, *supra* note 26, at 4.

55. *Id.* at 5.

56. BERNARD & MESSERLIN, *supra* note 7, at 5.

57. *Id.* at 11.

58. FAWZY, *supra* note 3, at 8.

59. *Id.* at 5.

60. *Id.* at 6.

61. *Id.* at 6-7.

62. *Id.*

vant in trade and capital movements. However, the reasons for the slow progress of the Arab region integration can be mainly traced to economic and political reasons.

A. ECONOMIC REASONS

Some prerequisites for an economic integration are identified in the standard customs union theory and the new regional integration theory. This realization should result in the realization of mutual gains.⁶³ Certain elements must be present to ensure mutual gains from the integration. The economies of the Member States should serve to compliment one another, which offers an opportunity for more trade creation. The size of the market and the number of the states involved may have an impact by offering more markets and hence more trade. Geographical proximity is also important because it reduces transportation costs. In addition, the openness of the market and the role of the private sector are important factors in the integration process.⁶⁴

With regard to how the Arab states compliment each other, some research projects were conducted using a complementarity index for each Arab state and the other Arab states. The complementarity index shows the extent to which the structure of imports and exports in different countries match one another.⁶⁵ These studies conclude that there is a lack of complementarity in trade structures between most Arab countries compared to other regional blocs.⁶⁶ Because Arab states have similar exports and export markets, they compete with each other, which minimizes the benefits of integration, as the comparative advantage arising from trading in different goods is relatively small.⁶⁷

The size of the Arab market is limited. The GDPs of the FDATA Member States are less than the GDP of Spain.⁶⁸ There is also a problem relating to the variations in the level of welfare between Arab states because of large differences in the per-capita income. The differences in per-capita income in NAFTA and EU states amount to ten fold and five fold respectively, while the difference between Arab countries is more than twenty-one fold.⁶⁹ This large disparity does not encourage economic integration. Rich countries do not have incentive to share their wealth and poor countries are afraid of the growing influence of the rich countries.⁷⁰

Although Arab states have geographic proximity, other obstacles diminish this benefit. These obstacles include high tariff duties, inadequate infrastructure, and different means of transportation, all which increase

63. *Id.* at 3.

64. *Id.* at 9.

65. *Id.*

66. *Id.*

67. BERNARD & MESSERLIN, *supra* note 7, at 13.

68. *Id.* at 12.

69. FAWZY, *supra* note 3, at 10.

70. *Id.*

the cost of trade.⁷¹ The high level of protection in Arab states does not serve the integration plans. Despite many agreements to liberalize trade between Arab states, the tariff duties are still higher than in non-Arab regions. This creates opposition to the integration from industries benefiting from the protection.⁷²

Non-tariff barriers and different administrative procedures in customs authorities create an obstacle for integration. Many Arab states still require import licences for importing Arab goods. Some Arab states also possess complicated banking procedures for financing and opening documentary credit for importing goods. Moreover, some Arab states have laws that restrict importation of certain goods to protect their own domestic production.⁷³ Finally, the role of the private sector is marginal in Arab states, as evidenced by the fact that there is no noticeable role for the private sector in negotiations of Arab integration agreements.⁷⁴

B. POLITICAL REASONS

There must be political support for an economic integration, including a supranational institution and regional leaders. The political support will usually result from the integration's political benefits, which do not threaten existing political powers.⁷⁵ It is suggested that because of the weak economic gains expected from the Arab integration coupled with the fear that the elite will lose their dominating role because of a political integration following an economic one, there has not been a political movement to integrate between Arab states. It has been noted also that because the vast majority of Arab leaders are not freely elected, the integration does not provide them a means for staying in office.⁷⁶

A supra-regional institution is needed to serve as a forum for the meeting of the region's leaders and to establish the integration rules and policies.⁷⁷ Although there are many Arab organizations, they are ineffective. These organizations lack the autonomous power to issue mandatory rules and policies for the region and to supervise their implementation.⁷⁸ This problem affects the League as well. The Charter fails to provide the League with the ability to impose obligations on the Member States without their consent. In contrast, in the European Community, the existence of the European Commission as an independent supranational institution played a critical role in the European integration. The European Commission retains the right to suggest regulations and directives, which, if approved, would directly affect the European Member States and prevail on any national law. The European Commission maintains its own inde-

71. *Id.* at 11.

72. *Id.*

73. *Joint Arab Economic Report 2000*, *supra* note 25, at 194.

74. FAWZY, *supra* note 3, at 12.

75. *Id.* at 14.

76. *Id.* at 15.

77. *Id.* at 14.

78. *Id.* at 16.

pendent staff supported in part by financing from common external tariff duties. When Member States lacked enthusiasm, the European Commission defended and directed the path to integration.⁷⁹

One or more members should be recognized as a regional leader(s). The role of a regional leader is essential in coordinating the efforts of different members and in solving differences and conflicting interests.⁸⁰ Egypt formerly fulfilled this role until the late 1970s. However, almost all Arab states have declared an economic and political boycott against Egypt because of its participation in the Peace Treaty with Israel, and neither Iraq, Saudi Arabia, nor Syria has successfully filled this position.⁸¹ After the resumption of relations between the Arab states and Egypt, the changes in the political architecture of the region and the world did not allow Egypt to reassume fully its role as a political leader. There also seems to be unwillingness from Arab states and reluctance from Egypt to accept this role.

The absence of a system to compensate those negatively affected by the Arab integration is also a reason for the slow progress in the Arab Free Trade Area plans.⁸² In the European Community, several methods have been employed to compensate those negatively affected. These solutions varied between exceptions to trade liberalization, aid or subsidies to disadvantaged territories, soft loans by the European Investment Bank for infrastructure and similar projects, and long transition periods.⁸³ However, some mechanisms do exist in the FDATA and the Program to mitigate the losses. As mentioned above, general and specific exceptions to liberalization are allowed. In addition, preferential treatment is granted to the least developed Member States.

XIV. CONCLUSION

Some positive steps have been taken towards an Arab free trade area and an economic integration. The implementation of the FDATA and the Program is progress toward these goals. However, some issues are still unsettled between Member States, such as rules of origin, a dispute settlement mechanism, and non-tariff barriers to trade. The lack of quality political and economic requirements for integration is decreasing the benefits of the integration and delaying the realization of the Arab economic integration.

79. BERNARD & MESSERLIN, *supra* note 7, at 4.

80. FAWZY, *supra* note 3, at 14.

81. *Id.* at 18.

82. *Id.* at 17.

83. BERNARD & MESSERLIN, *supra* note 7, at 5.

